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THE PUBLIC AND THE RAILWAYS

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In the whole range of public questions, no topic more fittingly deserves the consideration of this influential body, because none is of such vital consequence to all the people of our common country. At this time especially, when we are nearing the end, let us hope, of a period of violent and sometimes misdirected agitation, an agitation provoked by methods and practices long in vogue but now happily nowhere defended, when we may confidently expect an early and healthy reaction in public sentiment, it is peculiarly appropriate that the members of the American Academy should take the lead in councils of sanity, and lend their powerful aid to the development of sound and helpful policies.

Speaking for myself alone, and disclaiming any right to represent on this occasion the official body with which I am connected, there are two or three phases of this subject with which my mind is particularly impressed and to which, with your permission, I may briefly refer.

It is a fact so obvious and familiar as often to lose its significance that the advent of steam and electricity as substitutes for animal power was the most important and transforming event in the industrial history of mankind. It wrought an immediate and radical change in the elementary need of society, the means of distribution. The primary function was suddenly and radically altered, and a veritable new world of opportunity was opened to the enterprising and ambitious.

As time goes, this revolution has been phenomenally rapid. In the passing of a generation, as it were, the railroad and the steamship have transformed the whole realm of industrial and social life. They have enriched every occupation, given multiplied value to each pursuit, added incalculably to the means of human enjoyment, made our vast wealth possible. They are at once the greatest

achievement and greatest necessity of our modern civilization. But we do well to remember that this marvelous achievement has been accomplished by private enterprise and private capital, and that we must look—we certainly should look—to that same source for its further and adequate development. Far distant be the day when any thoughtful man will seriously contemplate a different national policy.

But if we rely, as we should, on private enterprise and private capital to sufficiently increase our transportation facilities, we must make that primary activity so attractive in its opportunity and its responsibilities that it will command for its management the best and ablest men the nation produces, and sufficiently lucrative to induce the necessary investment of money to supply our further requirements. In a word, we need our foremost men in this primary service and a vast amount of capital to make it adequately successful. This simply means, as I take it, that whatever may be our national or state policy in other respects, whatever regulations may be prescribed or obligations imposed, there must be the opportunity to charge rates which will give sufficient earnings to make the business fairly profitable and to attract the needful capital for its ample extension. Without regard to the personnel of railroad officials, without regard primarily to the interest of stockholders, but in the interest of public welfare and national prosperity we must permit railway earnings to be adequate for railway improvement at advantage and profit.

To my mind it is a most impressive fact, so great as to elude the grasp of imagination, that the railway traffic of the country fully doubled in the first seven years of this twentieth century. This enormous addition to the volume of transportable goods overtaxed, as you know, the existing facilities, and the resulting condition perhaps accounts for much of the hostility which has been manifested in various quarters. For the man who has raised something by hard labor, or made something with painstaking skill, which he could sell at a handsome profit in an eager market, and finds that he cannot get it carried to destination, and so sees his anticipated gains turned into a positive loss, is naturally exasperated and unthinkingly "blames it" on the railroads, and is ready to hit them with anything he can lay his hands to; and as

the state legislature seemed to be the most convenient weapon he wielded it for all it was worth.

I dwell upon this for a moment further, because it seems plain to me that the prosperity of the country is measured and will be measured by the ability of its railroads and waterways to transport its increasing commerce. With a country of such vast extent and limitless resources with all the means of production developed to a wonderful state of efficiency, the continued advancement of this great people depends primarily upon such an increase of transportation facilities as will provide prompt and safe movement everywhere from producer to consumer; and that we shall not secure unless the men who are relied upon to manage these great highways of commerce have fitting opportunity, and the capital which is required for their needful expansion is permitted to realize fairly liberal returns.

In connection with this I have another thought. It is an old story, but we are all impressed with the inequalities of human conditions. We know that the bountiful earth and the skill of men produce abundance for the comfort and happiness of all our people; and yet we find so many, alas! far too many, in approximate if not actual poverty. And I take it that the underlying social problem is to find some way, consistent with justice and the maintenance of our free institutions, to bring about the more equable diffusion of the bountiful wealth with which we are endowed.

Now as a practical matter what better step can we take or what better methods adopt than to see that the wage-earning classes of every description are liberally paid. More than three-fourths of all our people are wage-earners. Their ability to buy and consume makes the prosperity of the country; and if our laws, our institutions, our social customs, our public regulations, and, above all, our public sentiment, are such as to insure ample compensation to every class of wage workers, we thereby maintain and increase the consuming power of the vast majority of our people, and do more than in any other way to insure our future progress.

Now it happens, as you all know, partly from the nature of the calling, which appeals to the imagination of young men for its novelty and its opportunity, and partly because of the strength of railway labor organizations, which for the most part have been

prudently managed by astute and able leaders, that the general scale of wages in railway service has been materially higher than in corresponding private pursuits, and this in turn has doubtless had a strong reflex influence upon wages paid in private employment, so that those engaged in the fundamental industry, the one which ministers to the primary need of society, being fairly well paid, speaking at least in a relative sense, the influence is potent to hold up the wage scale in every sphere of private occupation. And so I not only want railway earnings to permit of rapid and sufficient railway extension, which increased facilities for comfort and convenience, for speed and safety, but I want all that to be accomplished by and connected with the most liberal compensation to an adequate force of competent employees.

Therefore it is a great satisfaction to me that at this critical juncture, under the abnormal and distressing conditions which have lately prevailed, arrangements have been made by which the wage scale in railway service is not to be invaded, at least until the lapse of time shows the necessity for resort to that method of reducing expenses; and I congratulate our railway friends and the country at large that means have been devised for carrying this great industry over this critical period without attempting a reduction in the wages of railway employees. And I am gratified that this has been the policy of railroad managers, because any other course would not only have affected the efficiency, the loyalty and the incomes of the million and a half of railway employees, but a reduction in the scale of wages in this public service would necessarily have had a very powerful effect in reducing wages in every grade of private employment, and thus unfortunately and as I think unnecessarily diminishing the purchasing power of a great majority of all our people.

A single word further. In the treatment of this great national question we should provide not only for the adequate enlargement of our transportation facilities, with the maintenance of a liberal and I trust a progressive scale of wages to railway employees, but we should also support the policy, which in my judgment is necessary to the desired result, of permitting a degree of associated action between railroads which existing laws unfortunately prevent. And to my mind there is no recommendation of our

great President which displays more practical sagacity or indicates a higher range of statemanship than his earnest appeal to the Congress to modify the absurd and mischievous anti-trust law. For the time has come, as I think, when we must by one means and another, as opportunity offers, find the best and least disturbing way of transforming our whole industrial life from the competitive to the cooperative basis. Therefore I welcome and applaud those measures of legislation, and that national policy supported by public opinion, which will give us more railroads and better railroads, more railway employees better paid, and the widest cooperation in the conduct of this public service.